

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7208**

**BILL NUMBER:** HB 1244

**NOTE PREPARED:** Jan 29, 2004

**BILL AMENDED:** Jan 26, 2004

**SUBJECT:** Indiana Dairy Industry Development Board.

**FIRST AUTHOR:** Rep. Mangus

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) This bill permits the Indiana Corn Marketing Council to spend up to 25% of the Council's revenue for administrative expenses. (Current law restricts expenditures for administrative expenses to 10% of Council revenue.)

This bill also provides that the Indiana Dairy Industry Development Board is a separate body corporate and politic. The bill provides that the definition of "milk" in the Board statute is restricted to milk produced by cows. The bill provides that the Board may make certain determinations based on year-end milk marketing figures from any source the Board considers reliable. It provides that the number of Board members to which a producer is entitled is based on funds retained in Indiana. The bill makes other changes relating to the composition of the Board. It provides that board members are entitled to a salary per diem determined by the Board and are entitled to receive reimbursement for travel and other expenses as determined by the Board. The bill also provides that the salary per diem and travel and other expenses may not exceed limits set for expenses for employees of the executive branch of the federal government while away from home in travel status.

**Effective Date:** July 1, 2004.

**Explanation of State Expenditures:** (Revised) *Corn Marketing Council:* This bill increases the percent of revenue that the Corn Marketing Council may use for administrative expenses from 10% to 25%. This provision is not expected to impact state expenditures, as all of the Council's expenses are required by law to be paid from assessments on Indiana corn growers.

Changing the status of the Indiana Dairy Industry Development Board to a body corporate and politic is not expected to have a significant fiscal impact on the state, the Office of the Commissioner of Agriculture, and

the Board.

*Background on the Indiana Dairy Industry Development Board:* The Board's administrative costs are funded through a checkoff program with Indiana milk producers. State law allows the Board to use up to 5% of the funds received from the producers for administrative charges. The remaining funds are used for federally qualified programs related to milk-related promotion, development, and research. Money received by the Board is deposited with the Treasurer of State in the Dairy Industry Development Fund. The Board is required to submit an annual report to the Commissioner of Agriculture. The Commissioner may also participate in Board meetings as an ex officio member.

State employees do not provide staff support to the Board.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Dairy Industry Development Board; Office of the Commissioner of Agriculture; Corn Marketing Council.

**Local Agencies Affected:**

**Information Sources:** Joe Pearson, Office of the Commissioner of Agriculture, 317-232-8775.

**Fiscal Analyst:** John Parkey, 317-232-9854.